



City of Danville, Virginia

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July 1, 2010

Honorable Mayor and Members of Council:

I am pleased to present to you the Adopted FY 2011 Budget. I wish to thank you for the very hard work, diligence, and direction given throughout this budget process.

The impact of declining local revenues and cuts from State funding have made balancing this budget very challenging. The General Fund budget totals \$101,467,120, an increase of .71% over the previous fiscal year. This adopted budget does not include increased taxes or utility rates.

As was the case in FY 2010, the Adopted FY 2011 Budget provides no cost of living, tenure, or merit pay increases for municipal employees. This budget maintains municipal services at current levels while absorbing increasing employee retirement and health insurance costs and mandated Social Security program expenses, as well as declining revenues from the Commonwealth and from local consumption tax sources.

Funding for the new Fire Station/Emergency Operations Center is included through general obligation bonds with interest only being paid in FY 2011, as we expect to take advantage of significantly lower construction costs due to the economic recession.

This budget includes \$747,850 from Fund Balance to support Economic Development incentives, as well as additional jobs related incentives.

The City's support for Danville Public Schools is \$19,499,940, a reduction of \$500,000 over the FY 2010 level but well above the minimum support. The General Fund support of capital improvements was also reduced by \$632,830.

I would like to express my appreciation to our Budget Team and to our Department Heads for a job well done. Again, I would like to express my sincere appreciation to each of you for your cooperation and guidance in developing a budget that will continue to move Danville forward.

Respectfully,

A handwritten signature in black ink, appearing to read "Joe King", is written over the printed name of the City Manager.

Joseph C. King
City Manager